GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

STARRED QUESTION NO:320
ANSWERED ON:11.08.2015
Sugarcane Dues
Gaikwad Prof. Ravindra Vishwanath;Kushawaha Shri Ravindra

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether a huge amount of sugarcane dues are outstanding against the sugar mills, if so, the details thereof and the steps taken for clearing the dues, State-wise;

(b) whether the States have sought any assistance/package for clearance of sugarcane dues, if so, the details thereof and the response of the Government thereto, State-wise;

(c) whether the sugar industry has sought assistance like export subsidy and restructuring of debts to make the mills viable and clear the outstanding sugarcane dues, if so, the details thereof and the response of the Government thereto; and

(d) whether the mills have not made the payments despite availing benefits, violating the directives of the court and conditions of the financial package given by the Government, if so, the details thereof and the corrective action, including legal proceedings taken or proposed to be taken against sugar mills?

Answer

MINISTER OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
(SHRI RAM VILAS PASWAN)

(a) to (d): A Statement is laid on the Table of the House.
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STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (d) OF THE STARRED QUESTION NO. *320 DUE FOR ANSWER ON 11.08.2015 IN THE LOK SABHA

(a): A statement showing state-wise amount of outstanding sugarcane dues pending against the sugar mills as on 31st July, 2015, is at Annexure-I. In order to increase the liquidity of the sugar mills and facilitate payment of dues to the sugarcane farmers, the Central Government has taken the following steps:-

i. Working capital loan amounting to Rs. 6400 crores with interest subvention has been disbursed by banks to sugar mills under the scheme for extending financial assistance to the sugar undertakings (SEFASU 2014), for sugar season 2013-14.

ii. Providing incentive for production and export of raw sugar during the sugar seasons 2013-14 and 2014-15.

iii. Extending soft loan of Rs. 6000 crore from banks with interest subvention and moratorium for one year for sugar season 2014-15.

iv. Smoothened the supply chain procedure for Ethanol Blending with Petrol (EBP) Programme and fixed its remunerative price.

v. Waived excise duty on ethanol to be supplied for EBP in 2015-16 sugar season.

vi. Import Duty increased from 25% to 40%.

vii. Processing time under Advance Authorization Scheme reduced from 18 months to 6 months to prevent apprehended leakage in the domestic market.

viii. The "Duty Free Import Authorization" scheme (DFIA) for sugar has been withdrawn to prevent possible leakages.

(b): Assistance has been sought by several States for interventions so as to clear cane price arrears. As indicated in reply to part (a) above, Central Government has taken various steps to infuse liquidity in the sugar industry and facilitate payment of cane dues arrears.
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(c): The sugar industry through its Associations inter-alia sought assistance in the form of export subsidy for the sugar season 2014-15. As indicated in reply to part (a) of the question, the Central Government has already extended the scheme for providing incentive for production and export of raw sugar for the sugar seasons 2014-15. Requests regarding restructuring of debt in the form of extending the moratorium period under the SEFASU scheme have also been received. However, under the scheme, the moratorium period extends up to September, 2016. The demand for its extension is, thus, pre-mature.

(d): The Government has taken all possible steps to facilitate payment of cane dues of farmers. The cane price arrear is steadily reducing. To ensure that the assistance provided by the Government has been utilized for clearance of sugarcane dues of farmers, sugar mills are required to submit utilization certificates certified by the State Governments. The loan amount availed by sugar mills under soft loan scheme, is directly transferred into accounts of farmers. Further, The Sugarcane (Control) Order, 1966, stipulates payment of cane price within 14 days of supply, failing which interest at the rate of 15% per annum on amount due for the delayed period beyond 14 days is payable. The powers for enforcing this provision are delegated and vested with the State Governments/UT Administrations who have the necessary field formations and take appropriate actions from time to time to ensure payment of cane dues.

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